
Joint Release

**Board of Governors of the Federal Reserve System
Federal Deposit Insurance Corporation
Office of the Comptroller of the Currency**

For immediate release

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Agencies Propose Simplifying Regulatory Capital Rules

The federal banking agencies on Wednesday proposed a rule intended to reduce regulatory burden by simplifying several requirements in the agencies' regulatory capital rule.

Most aspects of the proposed rule would apply only to banking organizations that are not subject to the "advanced approaches" in the capital rule, which are generally firms with less than \$250 billion in total consolidated assets and less than \$10 billion in total foreign exposure.

The proposal would simplify and clarify a number of the more complex aspects of the existing capital rule. Specifically, the proposed rule simplifies the capital treatment for certain acquisition, development, and construction loans, mortgage servicing assets, certain deferred tax assets, investments in the capital instruments of unconsolidated financial institutions, and minority interest.

The proposed rule is consistent with the Economic Growth and Regulatory Paperwork Reduction Act report issued by the agencies earlier this year. In that report, the agencies committed to meaningfully reducing regulatory burden, especially on community banking organizations, while at the same time maintaining safety and soundness and the quality and quantity of regulatory capital in the banking system.

Comments on this proposal will be accepted for 60 days after publication in the *Federal Register*.

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Attachments:

- [Simplifications to the Capital Rule Pursuant to the Economic Growth and Regulatory Paperwork Reduction Act of 1996](#)
- [Community Bank Summary of the Proposal](#)
- [Capital Simplifications NPR Estimation Tool](#)

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